

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
EL PASO DIVISION

UNITED STATES OF AMERICA) No. EP-13-CR-370-DB
)
vs.) El Paso, Texas
)
MARCO ANTONIO DELGADO) July 31, 2014

MOTION FOR INTERLOCUTORY ORDER OF SALE

A P P E A R A N C E S:

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1 THE COURT: The clerk will call the case.

2 THE CLERK: EP-13-CR-370, Marco Antonio Delgado.

3 MS. ARREOLA: Good morning, Your Honor. Anna Arreola
4 and AUSA Debra Kanof for the United States.

5 MR. HANSHEW: Good morning, Your Honor. Erik Hanshaw
6 as well as Maureen Franco on behalf of Mr. Delgado, Your Honor.

7 THE COURT: You may be seated.

8 Counsel, I usually don't hold hearings, but I think
9 I'm required to on this one. I've gone over the pleadings, so
10 I don't want you to get into that, but I had a couple of
11 questions, Ms. Arreola, maybe you can answer them.

12 MS. ARREOLA: Yes, Your Honor.

13 THE COURT: What gives Mr. Delgado the standing to
14 object?

15 MS. ARREOLA: Your Honor, it's an excellent question
16 which the Government has looked into and the conclusion that we
17 came to is simply because --

18 THE COURT: I'm sorry. Talk into the microphone.

19 MS. ARREOLA: Oh. Your Honor, because the property
20 is listed in the Indictment and we're seeking forfeiture of it
21 in his criminal case, that, the Government would submit, gives
22 him standing to contest the forfeiture. We're not -- we're
23 going to assume arguendo for purposes of the motion that he has
24 standing to contest. It is unclear, though, what interest he
25 has in the property and --

1 THE COURT: He's not the owner. He's not the legal
2 owner; Mr. Velarde is.

3 MS. ARREOLA: Right.

4 THE COURT: Which is my other question. What is
5 Mr. Velarde's position on this?

6 MS. KANOF: I have that position, Your Honor.

7 MR. HANSHEW: Your Honor, obviously we're going to
8 object to a hearsay explanation of --

9 THE COURT: Well, I'm -- still, I'm requesting it.

10 MS. KANOF: Your Honor, I don't know how --

11 THE COURT: The objection is --

12 MS. KANOF: -- they can object since in his response
13 Mr. Delgado dropped a footnote vigorously chastising the
14 Government for not being able to provide Mr. Velarde's position
15 or control Mr. Velarde's actions with regard to the
16 condominium, so I don't understand the objection.

17 MR. HANSHEW: And they should have brought Mr. Velarde
18 here, that's very simple.

19 MS. KANOF: We don't have an obligation to bring
20 Mr. Velarde here, Your Honor.

21 But I spoke with Mr. Velarde yesterday and he advised
22 me to advise the Court if the Court asked that Mr. Delgado
23 provided him with the deed, transferred the property to him of
24 the Kāndahār condominium to cover his legal fees to represent
25 him in connection with the money laundering case, the -- and

1 the civil forfeiture case, and the case that would be the mail
2 fraud or wire fraud case involving CFE, the Mexican electrical
3 company, that both he and Mr. Esper, who were co-counsel in the
4 case, did communicate to the Court back I think it was earlier
5 this year when the Court allowed them to withdraw, that they
6 did not intend to exercise control or proprietary interest over
7 the property because they were no longer representing him in
8 this criminal case. And also -- and as such did not intend to
9 sell the condominium to secure their legal fees because it was
10 still part of the criminal forfeiture case.

11 But with that in mind or they -- and that's how they
12 became qualified as appointed counsel because not wanting to
13 sell it or touch it as their fees was I guess part of the basis
14 that made Mr. Delgado indigent.

15 But regardless, Mr. Velarde's position is that he
16 would like very much for the property to not be in his name and
17 that if the Court grants the Government's motion to sell the
18 condominium, he completely agrees and consents to that sale and
19 will put his signature on whatever documents the Court directs
20 as necessary for that sale.

21 THE COURT: Well, stands to reason. Just common sense
22 probably.

23 Ms. Arreola, let me hear from you first on your --

24 MR. HANSHEW: Your Honor, at the outset, I would like
25 to move to have Government's motion denied. I pointed out in

1 our opposition brief, Your Honor.

2 THE COURT: Wait a minute. Let me hear from the
3 Government first. They filed a motion.

4 MR. HANSHEW: Your Honor, before they move into
5 putting witness and testimony, frankly, we have been put in the
6 position in this case, because their motion doesn't include law
7 or argument as to what it is that they were relying on in their
8 motion, we have to oppose that and then wait now and reply and
9 as late as last night and this morning to get more basis for
10 their motion that wasn't put in the motion. So I'm asking the
11 Court to deny it on the papers and allow -- and if the Court
12 wants to, let the Government file a real motion that actually
13 includes law and argument.

14 THE COURT: Well, overruled. If you want an
15 opportunity to respond or if you have witnesses that you want
16 to bring in, I'll give you that opportunity.

17 MR. HANSHEW: Your Honor, their motion is tantamount
18 to essentially a place filler. They filed a motion --

19 THE COURT: Overruled, Mr. Hanshaw.

20 MR. HANSHEW: This is a record I have to make,
21 Your Honor. It's unfair. It's completely unfair. I've never
22 seen a court do this.

23 THE COURT: I have all that in your pleadings.

24 MR. HANSHEW: In their reply, they put all of the
25 arguments --

1 THE COURT: Sit down.

2 What do you have?

3 MS. ARREOLA: Your Honor, as a housekeeping matter,
4 the general manager of the Kāndahār Association is present in
5 the courtroom today, Mr. Brent Knox, and the Government
6 anticipates that if the Court would like to hear from Knox, he
7 could testify as to a few things. One is an explanation of the
8 homeowners' association fees that are currently due on the
9 property. He could also testify --

10 THE COURT: All that's in your pleadings. I know how
11 much is owed, 28,000, whatever it is, and it's accumulating at
12 the rate of 20 percent per annum, something like that.

13 MS. ARREOLA: Okay. He --

14 THE COURT: And I know the taxes are going to be due
15 also soon.

16 MS. ARREOLA: Yes, Your Honor. He can testify what --
17 the interior condition of the apartment. We also have, though,
18 Your Honor, in the exhibits that the Government marked for
19 today's hearing photos that were obtained yesterday in which we
20 received late yesterday of the interior condition of the
21 apartment, and he would also be able to explain, if the Court
22 wants to hear, how the rental process works, but the rental --
23 the unit itself cannot be rented right now because there's
24 carpet missing from the basement floor, the first floor of the
25 condominium which is apparent from the photos, and not to

1 mention the fact that the apartment has no insurance and
2 there's nobody who would be responsible as a landlord in case
3 something goes wrong with the apartment such as a broken heater
4 or broken refrigerator. Nobody would be accountable for that
5 if something went wrong.

6 Did Your Honor want to hear from Mr. Knox?

7 THE COURT: Yes, I do.

8 MS. ARREOLA: Okay. Your Honor, if I could, just
9 before calling him, I believe there are two issues today,
10 Your Honor. One is the connection between the crime and the
11 property, and the Government submits that that's clear from the
12 documents we submitted from First Caribbean International Bank.
13 Those documents the Government received in response to request
14 to the -- to authorities in the Turks and Caicos Islands under
15 a Mutual Legal Assistance Treaty between the United States and
16 the UK, and those documents establish, they show the
17 152,000-dollar transfer from the Turks and Caicos account --

18 THE COURT: It's all in your pleadings.

19 MS. ARREOLA: Okay.

20 THE COURT: I'm well aware of it.

21 MS. ARREOLA: Okay. And then the second issue, Your
22 Honor, is just simply whether the sale is justified, so the
23 Government calls Richard Brent Knox.

24 THE COURT: Come on up, sir.

25 MR. HANSHEW: Your Honor, to the extent there's any

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1 other witnesses or agents and the such here, we also invoke the
2 Rule.

3 THE COURT: Okay. The Rule will be invoked. Any
4 other witnesses here will have to wait outside.

5 MS. KANOF: There are no other witnesses.

6 MR. HANSHEW: Well, this gentleman just raised his
7 hand, back there, Your Honor.

8 MS. ARREOLA: Your Honor, there's a special agent
9 who's present in the courtroom, but the Government does not
10 intend to call him.

11 THE COURT: Okay.

12 (Witness duly sworn.)

13 THE WITNESS: Yes, sir.

14 THE COURT: Speak into the microphone, if you would,
15 sir.

16 THE WITNESS: Okay.

17 RICHARD BRENT KNOX, GOVERNMENT'S WITNESS, SWORN

18 DIRECT EXAMINATION

19 BY MS. ARREOLA:

20 Q. Good morning, Mr. Knox. How are you employed?

21 A. I'm general manager of Kāndahār Condominiums.

22 Q. How long have you been a general manager?

23 A. Just a little over a year.

24 Q. Before becoming general manager, did you work at Kāndahār?

25 A. Yes.

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1 Q. In what capacity?

2 A. I was -- worked at the desk and basically checked people in
3 and unlocked condos and --

4 Q. How long were you working at the front desk?

5 A. About six years.

6 Q. What is The Kändahär?

7 A. It's a condominium complex in -- at Taos Ski Valley.

8 Q. And how many condominiums are located there?

9 A. There are 27.

10 Q. Who owns the condominiums?

11 A. They're all individually owned.

12 Q. What is your -- what are your duties and responsibilities
13 as a general manager?

14 A. Payroll, still reservations for guests that are checking
15 in, making statements up, or sending statements out to the
16 homeowners in regard to their condos.

17 Q. What are those statements -- what are those statements
18 regarding?

19 A. It's the utility bills, the property management, the HOA
20 fees, and any kind of interior maintenance expenses that may
21 occur.

22 Q. Do you prepare those statements or does somebody else?

23 A. The CPA prepares it, but I send her all the individual
24 bills as far as electric, and propane, and stuff.

25 Q. Are you the only employee of Kändahär or are there others?

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1 A. There's others.

2 Q. Approximately how many are there currently?

3 A. It's seasonal. In the summer, we have maybe six to eight
4 employees and in the winter, it can go up to 14 or 15.

5 Q. Can you briefly describe for the Court what their general
6 duties are, what their role is at Kāndahār?

7 A. We have a housekeeping crew which in the summer there are
8 two as needed, and then we -- during the summer, we do most of
9 our maintenance work and right now we have four maintenance
10 people, and then every now and then I have someone come help me
11 in the office.

12 Q. Do any of the owners ever put their condominiums up for
13 rent?

14 A. Some do.

15 Q. Who do they go through in order to rent their unit?

16 A. Me.

17 Q. And how does that process work?

18 A. The homeowner -- it's up to the homeowner if they want to
19 put their condominium into the rental pool and if they decide
20 to put it into the rental pool, they just tell us that they
21 want to put it in the rental pool.

22 Q. How much do the homeowners get to keep of the rental income
23 and how much does the condominium -- does the association keep,
24 if any?

25 A. It's a 60/40 split and the homeowner gets to keep

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1 60 percent and the condominium -- the association keeps
2 40 percent.

3 Q. How much approximately are their rents?

4 A. It varies with the season. During the summer it's between
5 100 to 150 a night, and in the winter, it can -- it's between
6 400 and 520 a night.

7 Q. How many of the 27 condos are currently in the rental pool?

8 A. Approximately 16.

9 Q. And how many of those are as of today being rented?

10 A. Right now there's one, I think.

11 Q. Okay. And on average during the summer, how many units are
12 rented at any given time on average?

13 A. On average one to two a week.

14 Q. Okay. Does that number fluctuate during the rest of the
15 year?

16 A. Yes. In the winter time it goes up.

17 Q. Okay. So on average, during the winter season, how many of
18 the condominiums in the rental pool are rented?

19 A. Oh, unless it's Christmas or Spring Break probably
20 40 percent of them are.

21 Q. That's during the winter?

22 A. That's during the winter.

23 Q. Okay. And are there times when it's -- you mentioned
24 Christmas and Spring Break, are -- what other times during the
25 year when you might be fully booked?

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1 A. President's Day weekend and Martin Luther King, we're both
2 completely booked all of those weekends.

3 Q. Okay. Are Christmas and Spring Break also completely
4 booked?

5 A. Yes.

6 Q. Okay. How is it decided which units are going to be rented
7 among the 16 in the pool?

8 A. When it's kind of a slow period, we will -- the way the
9 complex is set up, there's four different buildings and they're
10 on the side of the mountain and we try to make it easily --
11 easier for that housekeeping so we try to keep everybody in one
12 building, but it is also decided, and that's basically with the
13 reservation people, some condos are better than others, a
14 little more updated and if you have a nicer condo, it rents out
15 more.

16 Q. Okay. Have you -- are you familiar with apartment number
17 19?

18 A. Yes, ma'am.

19 Q. Have you been inside that apartment?

20 A. Yes.

21 Q. How often do you go in that apartment?

22 A. About twice a week.

23 Q. Why is that?

24 A. We go in to make sure there's not a water leak or a gas
25 leak or just try to make sure there's nothing -- since it's

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1 unoccupied making sure that there's nothing -- going on.

2 Q. Do you do that just for apartment 19 or for all of the
3 condominiums?

4 A. All condominiums.

5 Q. So you go into all the condominiums -- you or somebody else
6 goes into all the condominiums twice a week?

7 A. Yes.

8 Q. All right. How would you describe the current condition of
9 apartment number 19?

10 A. It's -- it's unrentable because there's no furniture or no
11 carpet in the bottom floor.

12 Q. Okay. And once that's fixed, how would you describe the
13 condition of the apartment?

14 A. It would be probably a mid-level condominium.

15 Q. Okay. And do you know why the carpeting on the first floor
16 was removed?

17 A. Yes. Not last summer, but the summer before there was a
18 water leak in the water -- the hot water heater and it flooded
19 the public or the bottom floor, and so The Kandahar took all
20 the carpet out so it wouldn't get moldy or, you know, just to
21 try to dry it out.

22 Q. Who's responsible for replacing the carpeting?

23 A. The homeowner.

24 Q. I'm going to ask you to take a look at what's been marked
25 for identification as Government's Exhibit 9 in front of you.

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1 Can you take a moment to look at that.

2 MS. ARREOLA: Your Honor, may I approach?

3 THE COURT: You may. Did you give one to Mr. Hanshaw
4 yet?

5 MS. ARREOLA: Yes, Your Honor.

6 MR. HANSHEW: Your Honor, we object. We did get it
7 last night, slash, this morning. These were provided to us,
8 Your Honor.

9 THE COURT: Okay.

10 MS. ARREOLA: Your Honor, the Government obtained the
11 photos yesterday and we provided it to Mr. Hanshaw as soon as
12 we got them.

13 BY MS. ARREOLA:

14 Q. Do you recognize this document?

15 A. Yes.

16 Q. What is it?

17 A. The first page?

18 Q. Or what are the -- what does the document consist of?

19 A. It's the pictures of the condo number 19 --

20 MR. HANSHEW: Your Honor, objection. There's no
21 foundation. She hasn't -- there's been no indication as to who
22 took these photos, if this individual took them. There's no
23 foundation for them.

24 MS. ARREOLA: Your Honor, it doesn't matter who took
25 them. He recognizes them having been in the apartment twice a

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1 week.

2 THE COURT: The objection is overruled.

3 MS. ARREOLA: Your Honor, the Government offers
4 Government's Exhibit -- what's been marked for identification
5 as Government's Exhibit 9.

6 THE COURT: To which?

7 MR. HANSHEW: The same objections, Your Honor.
8 Untimely submission as well as lack of foundation in entering
9 these.

10 THE COURT: The objection is overruled. Government's
11 Exhibit 9 will be admitted.

12 BY MS. ARREOLA:

13 Q. I'm going to ask you to take a look at the first page,
14 Mr. Knox.

15 A. Okay.

16 Q. What is that page?

17 A. That is the entrance into the main living floor, main
18 living area and that's kind of the second -- it's up on the
19 second floor.

20 Q. Okay. And we're speaking of apartment number 19, correct?

21 A. Yes, ma'am.

22 Q. I'm going to ask you to look at page 2 of Government's
23 Exhibit 9. What is that?

24 A. That's looking into the front door into the living area and
25 just a partial picture -- partial bit of the bar area.

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1 Q. And the flooring in there, that is present, there is
2 flooring in that first level, right?

3 A. Yes, there's carpet and laminate flooring.

4 Q. Okay. Is that called the main floor?

5 A. That's the main floor.

6 Q. And I'm going to ask you to look at page 3. What is that?

7 A. That's the kitchen area.

8 Q. Is that also on the main floor?

9 A. Yes.

10 Q. Okay. Can you take a look at page 4.

11 A. Yes.

12 Q. What is that?

13 A. That's the kitchen area and looking in from kind of the
14 dining and living area.

15 Q. How about page 5. What is that?

16 A. That's -- the red part is the fireplace and then that's the
17 start of the stairway leading down to the bedroom area, lower
18 floor.

19 Q. Okay. Take a look at page 6 and tell us what we're looking
20 at?

21 A. That's the fireplace and then the railing there, that's the
22 spiral staircase that goes down to the bedrooms downstairs.

23 Q. How about page 7?

24 A. That's kind of what most homeowners use as the dining area.
25 It's the living room and the dining room and the kitchen are

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1 all one area.

2 Q. And page 8?

3 A. That's more just a little bit of the corner of the dining
4 area and that's the windows looking down onto the balcony.

5 Q. What are we looking at on page 9?

6 A. There's an upstairs bedroom or upstairs bathroom in the
7 living area and that's the hallway leading down to it and
8 that's the shower in there.

9 Q. Okay. And page 10?

10 A. That's a little -- just a closer picture of it.

11 Q. Of the main floor bathroom?

12 A. Yes. It just has a shower and toilet and a sink upstairs.

13 Q. What is on page 11?

14 A. Right now we're doing our summer maintenance projects and
15 that is looking out on number 19's balcony where the crow bar
16 is and we're replacing all the woodwork -- or down there at the
17 end, you can see the new stuff and that's what we'll be doing
18 this summer.

19 Q. Okay. And who is paying for that?

20 A. The homeowners. It's a summer maintenance assessment that
21 all the homeowners are responsible to pay.

22 Q. When was that assessment due?

23 A. I believe August 1st was the last date.

24 Q. Okay. And are you going to be doing the work for apartment
25 number 19 even though no payment has been received?

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1 A. Yes.

2 Q. What are we looking at on page 12?

3 A. The flat area is where most homeowners put their TVs, and
4 then the wrought iron or the iron, that's the spiral staircase
5 that goes down to the bedroom area.

6 Q. Okay. And what is on page 13?

7 A. That's the bottom of the stairs, and there's a little
8 hallway and a stairwell and then where the door's partially
9 opened, that's a bedroom. It's just a little hallway down
10 there.

11 Q. What is on the flooring there?

12 A. That's just the base flooring.

13 Q. Is that where the carpeting was removed?

14 A. That's where the carpeting was.

15 Q. And on page 14 what are we looking at?

16 A. That is one of the bedrooms and that's a rug that was in
17 there that was salvageable and it's fine, but it was just a rug
18 that was laying on top of the carpet, but we had it cleaned.

19 Q. Okay. And the flooring there, again there's no flooring in
20 that room?

21 A. Correct.

22 Q. On page 15, what is that?

23 A. That is -- one door is a closet door in that bedroom and
24 then the other door is a door that leads out to the lower level
25 exit.

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1 Q. Page 16?

2 A. That's looking into the closet in that one bedroom.

3 Q. And again there's no flooring in this room?

4 A. Correct.

5 Q. And page 17?

6 A. That's looking from that bedroom into the little hallway
7 and that door that is open that you see, that's open, that is a
8 little hallway going into the downstairs bathroom.

9 Q. Okay. And does the downstairs bathroom have flooring?

10 A. Yes, it does.

11 Q. That flooring was not damaged?

12 A. That flooring was not damaged.

13 Q. On page 18, what are we looking at?

14 A. That's the other bedroom.

15 Q. And does this bedroom have flooring?

16 A. No, it does not.

17 Q. On page 19, what is that?

18 A. That's looking into the master or the downstairs bathroom.

19 Q. And lastly page 20?

20 A. That's a toilet downstairs.

21 Q. Mr. Knox, I'd now like to show you what's been marked for
22 identification as Government's Exhibit Number 3 in front of
23 you. Can you take a look at Government's Exhibit 3 and tell me
24 when you're ready.

25 A. Okay.

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1 Q. Do you recognize those three pages?

2 A. Yes.

3 Q. What are they?

4 A. Those are homeowner's statements, monthly statements.

5 Q. Who prepared these?

6 A. I and the -- our CPA service.

7 Q. And are these for any specific unit?

8 A. This is for condo number 19.

9 Q. I'm going to ask you to take a look at the third page.

10 What period does this statement cover?

11 A. It would be from June 1st to June 30th of 2014.

12 Q. And I'm going to ask you about a few of the line items
13 here. If you look at the line that says maintenance expense,
14 there's a \$25 fee. What is that for?

15 A. The \$25 fee, we file a lien on this condo every month and
16 that's to the Taos County Clerk. It cost \$25 to file.

17 Q. There's also a dollar number or there's a figure by the
18 electricity. The unit is unoccupied presently?

19 A. Yes.

20 Q. Why is there an \$89 charge for electricity?

21 A. There is exterior lighting on all the condos and there is a
22 refrigerator still in this condo that we keep functioning. And
23 if the heating comes on, the fans are electric or -- the
24 blowers are electric.

25 Q. And there's also a water and sewer expense. What is that

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1 for?

2 A. The whole complex it's about -- our base bill is \$2800 a
3 month for water and sewage and that is distributed between all
4 the homeowners and they base it on occupancy use.

5 Q. Okay. And there's also a monthly assessment for \$650.
6 What is that?

7 A. That's a monthly assessment. It's homeowner assessment
8 that everyone pays that. All the homeowners pay 650 a month.

9 Q. What does that money go to?

10 A. That covers the snow removal in the winter, firewood, the
11 salaries to help offset the salaries of the staff, laundry
12 services, just the operations of the whole condominium.

13 Q. Okay. And if you could take a look at page 2 of that
14 exhibit. Do you see that the ending balance due was 26,487?

15 A. Yes.

16 Q. And then for the next month, the ending balance was 27,942?

17 A. Yes.

18 Q. So the amount that's due is increasing by over a thousand
19 dollars every month?

20 A. Pretty well, yes. Yes.

21 MS. ARREOLA: Your Honor, the Government offers what's
22 been marked for identification as Government's Exhibit 3.

23 THE COURT: Mr. Hanshaw?

24 MR. HANSHEW: No objection.

25 THE COURT: Government's Exhibit 3 will be admitted.

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1 BY MS. ARREOLA:

2 Q. Mr. Knox, I'd also like you to take a look at what's been
3 marked for identification as Government's Exhibit 4. Can you
4 take a look at it and tell me when you're done.

5 A. The --

6 Q. Government's Exhibit 4.

7 A. Oh, okay.

8 Q. Do you recognize this?

9 A. Yes.

10 Q. What is it?

11 A. That's the -- the board met and approved a maintenance
12 assessment for the summer to replace all those balconies on the
13 building that consist of condos 14 through 20. We're also
14 going to repair the steam room, and staining some more
15 sidewalks up on the top building.

16 Q. And was this assessment ever paid for condo unit 14 [sic]?

17 A. No.

18 MS. ARREOLA: Your Honor, the Government offers
19 Government's Exhibit -- what's been marked to identification as
20 Government's Exhibit 4.

21 MR. HANSHEW: No objection, Your Honor.

22 THE COURT: Government's Exhibit 4 will be admitted.

23 BY MS. ARREOLA:

24 Q. Since you've been working at The Kāndahār, have some of the
25 condominiums ever been sold?

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1 A. Yes.

2 Q. Do you play any role in listing the apartments for sale?

3 A. No.

4 Q. When they go up for sale, do you ever learn how much they
5 are on sale for?

6 A. No. But I do sometimes hear what they sold for, but not
7 officially.

8 Q. Okay. Let me just clarify my question. I was asking if
9 you ever learn how much they are going on sale for not how much
10 they sold for?

11 A. Oh, yes. Yes, I can.

12 Q. And how do you find that out?

13 A. I look in the real estate books.

14 Q. Okay. And based on your experience, how much do the
15 properties generally list for?

16 MR. HANSHEW: Objection, Your Honor. The best
17 evidence of this would be the actual listings that he looks at.
18 To have him testify here as a lay person, as to the price and
19 listings of this, he himself by their own questioning, made it
20 obviously clear the evidence that would be for this would be
21 the actual listings, not a general manager talking about what
22 he goes and looks at on his own time.

23 THE COURT: Overruled.

24 BY MS. ARREOLA:

25 Q. Mr. Knox, how much have you seen the properties list for on

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1 average?

2 A. Between 200 and at the very top was 250.

3 Q. Okay. Are there any exceptions to that?

4 A. There's one exception.

5 Q. Okay. Can you tell us what that exception is?

6 A. There's one currently on the market for 450,000.

7 Q. Okay. And how does that unit compare to apartment 19?

8 A. The one that's listed for 450 is a very, very nice
9 condominium unit.

10 Q. Is there any comparison to apartment 19?

11 A. No.

12 Q. Okay. And how is it different from apartment 19?

13 A. They have custom carpet, custom marble fixtures. The
14 plastering in the condo was -- it's what we call diamond
15 finish, and marble floors, and it's just -- very nice
16 cabinetwork and everything.

17 Q. How long has that property been sitting on the market?

18 A. A little over a year.

19 Q. Okay. Do you know why?

20 A. It's a little more expensive than anything else that's
21 going for up there.

22 MS. ARREOLA: May I have a moment, Your Honor?

23 THE COURT: You may.

24 MS. ARREOLA: Your Honor, no further questions for
25 this witness.

Knox - Cross by Mr. Hanshew

1 THE COURT: I don't know how this works, okay, as far
2 as condominium, especially in New Mexico and you may not know,
3 because this is maybe a legal question --

4 THE WITNESS: Okay.

5 THE COURT: -- does the association, the condominiums,
6 do they have a right to foreclose on the property when let's
7 say the assessment grows?

8 THE WITNESS: I really don't know.

9 THE COURT: You don't know?

10 THE WITNESS: No.

11 THE COURT: Okay.

12 Mr. Hanshew?

13 CROSS-EXAMINATION

14 BY MR. HANSHEW:

15 Q. Good morning, Mr. Knox.

16 A. Morning.

17 Q. Before today's hearing you met with federal agents,
18 correct?

19 A. Yes.

20 Q. How many times have you met with them?

21 A. Just once.

22 Q. When was that?

23 A. Yesterday.

24 Q. And before today's hearing, did you review any documents or
25 notes or reports in preparation for your testimony today?

Knox - Cross by Mr. Hanshew

1 A. Yes, I went over --

2 Q. And what was that?

3 A. We just went over the homeowner statements and questions
4 about the condominium, what, you know, the current status of it
5 is and things like that.

6 Q. Okay. And in terms of documents, which documents did you
7 look at with the Government for this hearing today?

8 A. I looked at the homeowner statements, that number 3 and
9 number -- number 3.

10 Q. Number 3 and number 3. So just number 3?

11 A. Just number 3.

12 Q. Okay.

13 A. Sorry.

14 Q. It's okay. It's nerve-racking in here, I understand. No
15 other documents?

16 A. Not that I recall.

17 Q. The Government didn't show you anything?

18 A. Not that I recall.

19 Q. Okay. You don't recall or --

20 A. No.

21 Q. This was yesterday, right?

22 A. Yes, this was yesterday. That's all we looked at.

23 Q. Okay. Now, you became the general manager of The Kandahar
24 Condominiums in May 2013; is that correct?

25 A. Yes.

Knox - Cross by Mr. Hanshew

1 Q. All right. And as the general manager, one of the roles,
2 one of the jobs and duties you have is to find out from the
3 owners whether they want to put their condominium up for rent?

4 A. They tell us if they want -- want it in there or not.

5 Q. They tell you? You're the general manager, correct?

6 A. Yes.

7 Q. Okay. Now, I assume you keep records as part of your job?

8 MS. ARREOLA: Objection, Your Honor, vague.

9 THE COURT: Over- -- well, can you be a little more
10 specific?

11 MR. HANSHEW: Sure.

12 BY MR. HANSHEW:

13 Q. Did you keep records of how and when individuals rent their
14 condominiums?

15 A. Yes.

16 Q. What types of forms do you have for that?

17 A. We -- most of the condominiums, I mean, when they're in the
18 rental pool and somebody makes a reservation, we have a
19 computer system called Registering and we put all the
20 information into there and it generates these reports.

21 Q. Now, you told the Government that Mr. Delgado had removed
22 his condominium from the rental pool; is that correct?

23 A. No.

24 Q. You did not tell them that?

25 A. No. He never did put it into the rental pool.

Knox - Cross by Mr. Hanshew

1 Q. Okay.

2 MR. HANSHEW: May I approach the witness, Your Honor?

3 THE COURT: You may.

4 A. That may have been before I was the general manager.

5 MS. ARREOLA: Objection, Your Honor. Counsel is
6 showing the witness a document. There's no evidence in the
7 record that the witness has seen this document or knows what
8 he's being shown.

9 MR. HANSHEW: I didn't introduce it, Your Honor, as
10 evidence. I asked him to look at a document, see if that
11 refreshed his memory.

12 MS. ARREOLA: That was never asked, Your Honor. It
13 was never asked if he had seen the document.

14 THE COURT: Okay. I'll sustain the objection. Now go
15 on.

16 BY MR. HANSHEW:

17 Q. Sir, you met with agents on the 29th, correct?

18 A. Yes.

19 Q. July 29th. Okay. And how long was that interview?

20 A. Hour and a half maybe.

21 Q. Okay. And according to you today at no point did you tell
22 the agents that Delgado removed his condominium from the rental
23 pool?

24 A. No.

25 Q. Okay.

Knox - Cross by Mr. Hanshew

1 A. It just never was in there.

2 Q. Would you be surprised to know there's a report by the
3 agents of your interview that says you said that?

4 A. I don't think I ever said that.

5 Q. Okay. Now, where's the form that has Mr. Delgado taking
6 his condominium out of the rental pool?

7 MS. ARREOLA: Objection, Your Honor. Assume facts not
8 no evidence. The witness has said that it was never put in
9 pool; not that it was removed.

10 THE COURT: Overruled.

11 BY MR. HANSHEW:

12 Q. Do you have that form, sir?

13 A. No.

14 Q. You have no such form?

15 A. No.

16 Q. When, if you know, was Mr. Delgado's condominium taken out
17 of the rental pool?

18 A. I've been there -- this is starting my seventh year, that
19 condo has never been in the rental pool in seven years.

20 Q. And have you seen anything that indicates that was at
21 Mr. Delgado's directive?

22 A. No.

23 Q. And you as the general manager would be made known -- that
24 would be made known to you, correct?

25 A. Yes.

Knox - Cross by Mr. Hanshew

1 Q. Now, on those, the Exhibit 3, the forms from The Kāndahār
2 Condominiums, it lists an individual by the name of Ray Velarde
3 on there, correct?

4 A. Yes.

5 Q. And what does it list him as?

6 A. Owner.

7 Q. And how many times have you spoken with Mr. Velarde?

8 A. I don't think I have ever talked to him, but I have
9 e-mailed him.

10 Q. You e-mailed him. What did you e-mail him about?

11 A. Statements.

12 Q. Such as?

13 A. These -- all the statements.

14 Q. Okay. Now, let's talk about those statements. They
15 indicate, you know, amounts owing?

16 A. Yes.

17 Q. From what date did those amounts begin accruing?

18 A. Pretty well since he owned it. I mean, we send these
19 statements out to the owners. As soon as they buy one.

20 Q. When was the last time Mr. Velarde paid the fees?

21 A. Mr. Velarde has never paid a fee.

22 Q. He's never paid a fee. In the entirety of this?

23 A. Pardon?

24 Q. In in the entirety of his ownership of this condo, he's
25 never paid a fee?

Knox - Cross by Mr. Hanshew

1 A. Correct.

2 Q. Okay. And all of the fee bills you sent to Mr. Velarde,
3 correct?

4 A. Yes.

5 Q. Okay. And do you get Mr. Velarde's approval to enter the
6 condominium?

7 A. No. I mean, we just -- I mean, it's the -- no, we don't.
8 I mean, it's assumed I guess that we are supposed to take care
9 of their property and if they're vacant forever, we have to go
10 in and make sure that --

11 Q. Based on your assumption?

12 A. Yes, that's based on my assumption.

13 Q. And has Kāndahār Condominiums filed any action against
14 Mr. Velarde for the amounts due?

15 A. We put a lien on this condo.

16 Q. Against Mr. Velarde. He's the title owner, as the owner,
17 correct?

18 A. I guess -- yes.

19 Q. Has Kāndahār initiated any action against Mr. Velarde?

20 A. No.

21 Q. Why not?

22 A. I don't know.

23 Q. Is Kāndahār -- have you asked Mr. Velarde about putting the
24 condominium up for rent?

25 A. No, I have not.

Knox - Cross by Mr. Hanshew

1 Q. In the entire time you've been the general manager, you've
2 never asked that?

3 A. Right.

4 Q. Okay. Has anyone from Kāndahār, to your knowledge, asked
5 Mr. Velarde?

6 A. No.

7 Q. Why is that?

8 A. It's really not our obligation to. That's the homeowner's
9 decision. If they want to put it in rental pool or not.

10 Q. Mr. Velarde's right?

11 A. (No verbal response.)

12 Q. Now, I notice -- you mentioned earlier that the rug was
13 cleaned in the condominium and who did that?

14 A. The carpet cleaning company.

15 Q. Okay. At -- but who paid for that?

16 A. The Kāndahār paid for it. We just cleaned it.

17 Q. I thought Kāndahār wasn't responsible for carpets?

18 A. Well, that was a rug and that was -- we just were trying to
19 salvage some things in there.

20 Q. Okay. Who tore out the carpet?

21 A. The Kāndahār.

22 Q. Under what authority?

23 A. They were -- I don't know. That was before I was general
24 manager and I wasn't even there when they took the carpet out.

25 Q. When was the carpet taken out if you know?

Knox - Cross by Mr. Hanshew

1 A. I believe two years ago and -- two or three years --
2 probably probable closer to three and at that time I was a
3 part-time employee and during the summer I went back and --

4 Q. You say you believe that on what basis?

5 A. I'm just -- I'm trying to remember when -- I can't really
6 remember exact dates, but I think it was about three years ago.

7 Q. That the carpet was taken out?

8 A. Yeah.

9 Q. Was there furniture taken out by Kāndahār as well?

10 A. No.

11 Q. Never?

12 A. One of the -- Mrs. Delgado or, you know, somebody -- Ray
13 Velarde sent or had called and said that -- and then this --
14 some lady, I can't even remember her name -- but her -- they
15 came up and got most of the furniture out of there.

16 Q. Okay. So now you did actually talk to Ray Velarde?

17 A. I -- I think he talked to -- I think it was his -- one of
18 his people that worked for him. I don't --

19 Q. Before you said you last communicated --

20 A. Okay. I don't remember who I talked to.

21 Q. Well, let my finish. Before, you indicated that you just
22 communicated via e-mail correspondence. That's what you
23 testified, correct?

24 A. Right.

25 Q. Now, you've just indicated that you actually spoke with

Knox - Cross by Mr. Hanshew

1 him?

2 A. I'm not sure if I even talked to him, but he probably sent
3 me an e-mail telling me that some -- and I don't remember her
4 name -- was coming up to get their personal belongings out of
5 there.

6 Q. Okay. So Mr. Velarde made it known to you that he was
7 coming or someone, his agent, to take out the property that was
8 in there?

9 A. It was Mr. Delgado's wife, I believe, that was coming to
10 get the stuff.

11 Q. You believe or you're certain?

12 A. I'm not sure if it was his wife or not.

13 Q. Okay. What did this e-mail say?

14 A. I don't remember.

15 Q. When was this e-mail?

16 A. I don't remember. I mean, it's probably been two years
17 ago, but I don't remember exactly.

18 Q. You were asked about the fact that work was going to be
19 done to the deck including the deck outside of number 19 --

20 A. Uh-huh.

21 Q. -- regardless of any fee being paid by the owner?

22 A. Right.

23 Q. That's correct?

24 A. Correct.

25 Q. All right. And -- and your job as general manager, you're

Knox - Cross by Mr. Hanshew

1 obviously aware of the -- it appears then by that -- of some of
2 the accounting aspects of these condominiums?

3 A. Yes.

4 Q. What's the percentage of these outstanding fees to The
5 Kandahar's general account?

6 A. I don't know.

7 MS. ARREOLA: Objection, Your Honor, vague.

8 THE COURT: He answered he doesn't know.

9 BY MR. HANSHEW:

10 Q. Who would know that from Kandahar?

11 A. I'm sure we could generate a report for it, but I've --
12 we've never been asked this before.

13 Q. Who? I asked who?

14 MS. ARREOLA: Objection, Your Honor, relevance to this
15 questioning.

16 THE COURT: Overruled.

17 A. It would probably be our -- the accounting firm that we
18 use.

19 BY MR. HANSHEW:

20 Q. Who is that?

21 A. That's CPA Southwest and they just changed their name.

22 Q. Do you know to what?

23 A. I think it's CPA Swinthart [phoen.] or something like that,
24 but I don't know.

25 Q. Now, part of your job as the general manager at Kandahar,

Knox - Cross by Mr. Hanshew

1 you have some duty of confidentiality to the homeowners?

2 A. In regard to what?

3 Q. Who owns places, what's inside of them, the price of them,
4 the fees that are outstanding on them. Those types of things.

5 MS. ARREOLA: Objection, Your Honor, compound
6 question.

7 THE COURT: I'll sustain the objection. Cut it down,
8 Mr. Hanshew.

9 BY MR. HANSHEW:

10 Q. What -- under what obligations as general manager do you
11 have to keep homeowner information private?

12 MS. ARREOLA: Objection, Your Honor, overbroad.

13 THE COURT: Overruled.

14 A. I really don't understand the question.

15 BY MR. HANSHEW:

16 Q. Okay. You're the general manager, correct?

17 A. Yes.

18 Q. There are privacy issues that come up as to individuals
19 that belong to this association?

20 MS. ARREOLA: Objection, Your Honor, vague.

21 THE COURT: Overruled.

22 A. What kind of privacy issues?

23 BY MR. HANSHEW:

24 Q. Are there -- I'm asking you. You're the general manager.

25 What privacy considerations do you have as the general manager

Knox - Cross by Mr. Hanshew

1 at Kāndahār as it relates to the homeowners?

2 A. I don't -- I still don't understand what you're saying.

3 Q. Okay. Are you allowed to go tell other people about what's
4 inside that condominium?

5 A. As far as -- I mean what --

6 Q. The contents of the condominium, are you allowed to go tell
7 anyone you would like about what's inside someone else's home?

8 A. I wouldn't think so. I mean, I've never.

9 Q. Are you allowed to tell the other homeowners about your
10 opinion as to whether the condominium belongs to the
11 Government?

12 A. No, I mean --

13 Q. Have you ever made such a statement to the other homeowners
14 at Kāndahār?

15 A. No.

16 Q. What have you told the other homeowners at Kāndahār about
17 the Government's relationship to this condominium?

18 A. To this deal?

19 Q. Yes, sir.

20 A. It's that they're trying to decide who owns the
21 condominium.

22 Q. And how did you form the basis of that statement?

23 A. The Government called and said that they were looking into
24 trying to decide who's the owner of the condominium.

25 Q. Okay. Who was that that called you for that?

Knox - Cross by Mr. Hanshew

1 A. I believe it was Anna.

2 Q. Anna. Okay. So the prosecutor called you and told you
3 that they were trying to decide who the owner of the
4 condominium was?

5 A. There was going to be some hearings that was going to be
6 discussing who's going to -- and this is just -- you know,
7 retained ownership of the condominium or get the, you know, who
8 owns it, paying the bills on it.

9 Q. When did that call take place?

10 A. Six months ago maybe.

11 Q. And how many subsequent phone calls did you have with
12 Ms. Arreola or any other Government official?

13 A. Maybe five.

14 Q. Were they all with Ms. Arreola?

15 A. No.

16 Q. Who else did you speak with from the Government?

17 A. I don't remember his name.

18 Q. It was a male?

19 A. Yeah.

20 Q. Did he identify what his position was?

21 THE COURT: What does this have to do with the motion
22 for interlocutory sale, Mr. Hanshew?

23 MR. HANSHEW: Well, we just learned that the
24 Government has been speaking to an agent -- I mean, to a
25 witness --

Knox - Cross by Mr. Hanshew

1 THE COURT: Well, what does this have to do with the
2 motion?

3 MR. HANSHEW: Well, Your Honor, let me finish, Judge.
4 You asked a question and I'm allowed to answer which is this
5 goes exactly to the motion and to the objections we have which
6 is the Government investigated and spoke with this witness six
7 months ago and yet doesn't put any of it in their motion and
8 drops this on this Court and Defendant last night. I think
9 this Court should frankly be more upset than we are about the
10 way that this has been conducted.

11 THE COURT: I'm not upset. I'm not upset.

12 MR. HANSHEW: It should be, because the precedent the
13 Count is setting is you get to file a motion with no argument,
14 no law, no evidence and then you wait until the other side
15 files an opposition. It would be if I mail a motion to
16 suppress, cite the Constitution, let them try to oppose that
17 and then come back and reply and say, Oh, here's the law and
18 argument and evidence.

19 THE COURT: Just go ahead, Mr. Hanshew. Okay? If
20 you're going too far I'm going to put a stop to it, okay.
21 Stick to the motions that we're here on.

22 MR. HANSHEW: I'm asking him about who he's spoken
23 with at the Government as to statements that he gave to them to
24 find out whether they're truthful or not, about what it is he's
25 been telling people, what about what they've told him is the

Knox - Cross by Mr. Hanshew

1 subject of his testimony today. I mean, that is absolutely
2 relevant what a Government official --

3 THE COURT: Go on. Just go on, okay. What other
4 questions do you have?

5 BY MR. HANSHEW:

6 Q. Now, you testified about this other condominium that was
7 listed at \$450,000?

8 A. Yes.

9 Q. Okay. Have you personally been in that condominium?

10 A. Yes.

11 Q. Okay. And when did you go into that condominium?

12 A. Probably last week.

13 Q. Okay. And did the Government mention that condominium to
14 you?

15 A. No.

16 Q. In none of their conversations?

17 A. (No verbal response.)

18 Q. Okay. What made you go into that last week?

19 A. We go into all the condominiums twice a week.

20 Q. Okay. And that condominium is part of The Kandahar?

21 A. Yes.

22 Q. And prior to a week ago, when was the last time you went
23 into that one?

24 A. The week before.

25 Q. And you've testified about your time living in Taos, your

Knox - Cross by Mr. Hanshew

1 time as general manager of The Kāndahār, you're aware that the
2 entire Taos ski resort was recently purchased by a hedge fund,
3 correct?

4 A. Yes.

5 Q. And what do you know about that?

6 A. Just that --

7 MS. ARREOLA: Objection, Your Honor, relevance.

8 THE COURT: Overruled.

9 A. -- Louis Bacon bought the ski area.

10 Q. I'm sorry. I couldn't understand your --

11 A. Louis Bacon, the hedge fund guy, bought this -- bought the
12 Ski Valley, the Taos Ski Valley, Inc.

13 Q. And have you had any inquiries at Kāndahār that mention the
14 purchase of Taos as a whole by Mr. Bacon?

15 A. Not -- I mean, it's kind of, what's he doing, you know.
16 What improvements are they going to be making to the Ski
17 Valley.

18 Q. Okay. So you have inquiries as a result of that?

19 A. Inquiries as to what? There's more inquiries of what's
20 going on at the Ski Valley?

21 Q. Okay. But this condominium is on the area that has been
22 bought, correct?

23 A. No, it's on Kāndahār property.

24 Q. It's separate from that. It's on the mountain of Taos?

25 A. Right.

Knox - Cross by Mr. Hanshew

1 Q. It's on Taos Ski property?

2 A. Yes, but it's private property.

3 Q. Okay. But it's on the ski resort, correct?

4 A. Well, the ski area belongs to -- the -- most of the trail,
5 probably all of them, belong to the forest service.

6 Q. Right. Okay. And when you leave this condominium do you
7 you ski out onto the ski resort, correct?

8 A. Right.

9 Q. It's a ski in and ski out?

10 A. Correct. Correct.

11 Q. And in your experience -- you were previously a ski
12 instructor?

13 A. Yes.

14 Q. Okay. So you're familiar with the ski lifestyle, correct?

15 A. Yes.

16 Q. All right. And as part of that, ski in and ski out is the
17 most prized property on the ski resort, correct?

18 MS. ARREOLA: Objection, Your Honor.

19 Can you clarify the question?

20 THE COURT: I'll sustain the objection. Rephrase it.

21 BY MR. HANSHEW:

22 Q. Is there in many instances greater value given to a
23 condominium or property that has ski in and ski out access?

24 A. Yes.

25 MR. HANSHEW: May I have a moment, Your Honor?

1 THE COURT: You may.

2 MR. HANSHEW: No further questions, Your Honor.

3 THE COURT: Ms. Arreola?

4 MS. ARREOLA: No further questions from the
5 Government, Your Honor.

6 THE COURT: Very well. You may be excused, sir.
7 What else do you have?

8 MS. ARREOLA: Nothing further from the Government,
9 Your Honor.

10 THE COURT: Mr. Hanshaw?

11 MR. HANSHEW: Your Honor, you know, we reiterate our
12 objection about the way in which the motions were filed in this
13 case, the way in which evidence was submitted in this case.
14 You know, this is a motion by ambush, Your Honor, so we ask
15 again the Court deny the motion for that. If it doesn't grant
16 that and actually considers what went on here, then I ask that
17 in the future, you know, all sides be allowed the same type of
18 procedure in terms of motion practice in this Court for this
19 case.

20 I'd also ask that the Court -- if the Court's not
21 going to deny their motion on its face for being violative of
22 due process and actually presenting arguments in the motion
23 itself versus the reply that the Court actually allow us to
24 have additional time to file sur-reply to all the information
25 that's been presented and arguments presented for the first

1 time in a reply brief as well as extra time to be able to bring
2 a witness in, specifically Ray Velarde.

3 THE COURT: How much time do you need?

4 MR. HANSHEW: Your Honor, normally I'd say two weeks
5 or so, but I'm actually out all of next week, Your Honor, so
6 I'm asking for three weeks so that we can have the two-week
7 time to prepare that, file our sur-reply, assess the
8 information and investigate it and also subpoena Ray Velarde to
9 bring him here because I think --

10 THE COURT: Okay, in three weeks?

11 MR. HANSHEW: Yes, Your Honor.

12 THE COURT: Ms. Arreola, what is so important about
13 the interlocutory sale at this time? I mean, when you filed
14 this, we were set to go to trial next week -- I mean, the week
15 after Monday. Okay? Why proceed to this now? Okay. I'm
16 going to take up the question of the continuance in just a
17 little bit, but why proceed -- why did you proceed at that time
18 when the trial was shortly coming up?

19 MS. ARREOLA: We had heard from Defense Counsel that
20 there were plans to ask for a continuance even before we filed
21 our motion, Your Honor, so we anticipated there would be a
22 forthcoming motion for continuance. Our goal here --

23 THE COURT: The fees are accumulating at the rate of,
24 what, about 1400 a month?

25 MS. ARREOLA: Yes, Your Honor, approximately. And

1 that does not account for the unpaid taxes and the lack of
2 insurance on the property. The building itself is insured.
3 It's the interior of the apartment that is not insured.

4 THE COURT: Then why did you agree to a continuance?
5 This could have been resolved right after the trial.

6 Do we have a date, Ruben, three weeks?

7 (The Court and courtroom deputy confer.)

8 THE COURT: The 21st, 10:30.

9 THE CLERK: Yes.

10 THE COURT: The 21st at 10:30, Mr. Hanshew.

11 MR. HANSHEW: Thank you, Your Honor.

12 THE COURT: If you want to bring in witnesses, if you
13 want your sur-reply, if you have anything, you better file it
14 real quick. Okay.

15 MS. ARREOLA: Yes, Your Honor.

16 THE COURT: In response to their sur-reply.

17 MS. ARREOLA: Yes, Your Honor.

18 THE COURT: Now, quite frankly, I don't know. I don't
19 know why they have to do it at this time. You waited this
20 long, we'll wait for the next six months until he comes up for
21 trial, six, seven months, whenever it is, which I'm about to
22 take up.

23 Okay. You're requesting to go March the 23rd?

24 MR. HANSHEW: Yes, Your Honor.

25 THE COURT: Is that correct?

1 MS. KANOF: That's correct, Your Honor. The
2 Government has no objection. I don't know whether or not the
3 Court is aware of the fact that the Defendant filed an appeal
4 in his case, but the appeal did not challenge the conviction.
5 It only challenged the sentence, and I didn't know whether the
6 Court, if the Court --

7 THE COURT: On the other case?

8 MS. KANOF: On the other case. So basically since
9 there's been no challenge to the actual guilty conviction, but
10 just to the length of time, I think that perhaps affects the
11 rights of the Defendant with regard to speedy trial. He's not
12 going anywhere, in other words, because the challenges to the
13 sentence dealt primarily with adjustments. Adjustment for
14 leader/organizer and other specific adjustments, so based on --
15 even if -- and that's a discretionary issue on the part -- it's
16 an abuse of discretion standard, so regardless even if the
17 appeal would undoubtedly take a year or two, so the Government
18 doesn't have any objection to the continuance in light of the
19 fact that basically it doesn't change his living conditions and
20 I do -- don't question that Defense Counsel, being relatively
21 new to the case, probably need additional time to go through
22 the amount of documents that were provided by the Government
23 and to talk to the Government about the case in light of the
24 fact that the conviction was not appealed to talk about some
25 kind of settlement, which I've already talked to our

1 supervisors in case there is an approach on how we might be
2 able to mediate that.

3 So I think having more time is a good idea and the
4 Government doesn't have any objection to the March date. We
5 would have an objection to a closer date; however, if the case
6 was continued because we have a major trial in this court in
7 November.

8 THE COURT: What -- I was told previously it would
9 take about two weeks.

10 MS. KANOF: I'm sorry, Your Honor?

11 THE COURT: I was told previously it would take about
12 two weeks to try the case.

13 MS. KANOF: This case?

14 THE COURT: Yes.

15 MS. KANOF: At the very most, Your Honor.

16 THE COURT: At what? At the very most?

17 MS. KANOF: At the very most.

18 THE COURT: Counsel, I'll tell you right now. I'm
19 going to grant the continuance, okay, but I will not entertain
20 another motion for continuance. Unless I'm incapacitated,
21 you-all are going to trial on the 23rd or unless you settle it.

22 Anything else?

23 MR. HANSHEW: Your Honor, we'd also propose a motion
24 deadline in that same motion to continue in January,
25 dispositive motion deadline.

1 THE COURT: Yeah. I agree.

2 MR. HANSHEW: Okay. Thank you, Your Honor.

3 THE COURT: Have you -- deadline, file pretrial
4 motions extended until January the 12th. That's what you-all
5 agreed to?

6 MS. KANOF: Yes, Your Honor. The Government has no
7 objection.

8 MR. HANSHEW: Correct, Your Honor.

9 THE COURT: Okay. It will be part of the order.

10 MR. HANSHEW: Thank you, Your Honor.

11 Okay. Very well. You may be excused. We'll be in
12 recess.

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I N D E XGOVERNMENT'S EVIDENCEWITNESS:PAGERICHARD BRENT KNOX:

Direct Examination by Ms. Arreola8
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GOVERNMENT'S EXHIBITS

<u>NO.</u>	<u>DESCRIPTION</u>	<u>ADMITTED</u>
3	Monthly Statements of amounts due for the Kāndahār Condominium 4-30-14 through 6-30-14	21
4	Notice of Assessment for the Kāndahār 5-10-14	22
9	Photos of the Kāndahār Condominium	15

CERTIFICATION

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date: August 6, 2014

/s/ Maria del Socorro Briggs

Maria del Socorro Briggs